



State of Tennessee
PUBLIC CHAPTER NO. 683

HOUSE BILL NO. 2381

By Representatives McCormick, Phillip Johnson

Substituted for: Senate Bill No. 2243

By Senators Norris, Faulk

AN ACT to amend Tennessee Code Annotated, Title 4, Chapter 3, Part 23, relative to the power of the commissioner of transportation to enter into contracts for the purpose of stabilizing expenses related to the cost of fuel and other materials.

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF TENNESSEE:

SECTION 1. Tennessee Code Annotated, Title 4, Chapter 3, Part 23, is amended by adding the following language as a new section thereto:

4-3-2312.

(a) Notwithstanding any other law to the contrary, the commissioner of transportation may enter into a negotiated contract or contracts with a bank, investment bank or other similar financial institution for the purpose of stabilizing the net expense of the department of transportation in the purchase of gasoline, diesel, or other fuels for the department's own use.

(b) The contracts entered into under this section may include, without limitation, financial instruments commonly referred to as hedges, futures, options, swap transactions, or any similar financial instrument for cost stabilization. The contracts authorized herein shall not be deemed contracts for services subject to the provisions of § 12-4-109.

(c) Notwithstanding any other law to the contrary, the contracts authorized in this section may be procured in such manner pursuant to policy and executed in such form, all as approved by the state chief procurement officer, with the approval of the state funding board. Such policy shall provide, at a minimum, that the initial selection of financial institutions for the purpose of entering into such contracts shall be conducted by a public solicitation and request for qualifications, including credit worthiness and other factors as determined by the state chief procurement officer, with the approval of the state funding board.

(d) When entering into any contract authorized under this section, the written contract shall provide that the rights and remedies of the parties thereto shall be governed by the laws of Tennessee or the laws of such other state or nation as may bear a reasonable relationship to the transaction; provided, however, that any suit, action, or proceeding at law or in equity against the State shall be brought solely in any court of competent jurisdiction in Davidson County, Tennessee.

(e) The commissioner of transportation shall report to the state funding board and to the chairs of the senate and house finance, ways and means committees no later than January 31, 2013, and annually thereafter prior to January 31, as to the utilization of the authority of this section.

(f) The authority granted under this section is in addition to, and supplemental to, any existing authority granted under any other law but shall expire on June 30, 2016.

HB 2381

SECTION 2. If any provision of this act or the application thereof to any person or circumstance is held invalid, such invalidity shall not affect other provisions or applications of the act which can be given effect without the invalid provision or application, and to that end the provisions of this act are declared to be severable.

SECTION 3. This act shall take effect upon becoming a law, the public welfare requiring it.

HOUSE BILL NO. 2381

PASSED: MARCH 26, 2012



BETH HARWELL, SPEAKER
HOUSE OF REPRESENTATIVES



RON RAMSEY
SPEAKER OF THE SENATE

APPROVED this 10th day of April 2012



BILL HASLAM, GOVERNOR